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TRADE AND DEVELOPMENT BOARD

Seventeenth Session (First Part)

SUMMARY RECORD OF THE 477th MEETING

held at the Palais des Nations, Geneva,
on Friday, 2 September 1977, at 3.10 p.m.

President: Mr. [illegible] (Sri Lanka)

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Corrections to the records of this meeting and of the first part of the seventeenth session will be consolidated in a single corrigendum to be issued shortly after the end of that part of the session.

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INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (agenda item 3) (TD/B/665 and Add.1 (Part I) and 2 (Part I), and Add.1 (Part II), UNCTAD.ua/107) (continued)

1. Mr. LALOVIĆ (Yugoslavia), speaking on behalf of the Group of 77, said that the [illegible] was not the cause only [illegible] of the frustrating experience of developing countries as a result of the [illegible] inadequate approach followed by the international community, but also to the extent of recidivism to the establishment of the New International Economic Order. A co-ordinated approach was all the more necessary in view of the disturbing prospects for the world economy, and the problems of developing countries in particular, described in the report by the UNCTAD secretariat (TD/B/665 and Add.1 (Part I) and Add.1 (Part II)). The fundamental and intrinsic nature of the issues dealt with in the report called for a more detailed study, based on supplementary information from various sources. Lastly, the procedure to be followed for the future appraisal of current [illegible] for the light of global and sufficient attention was [illegible] to the Latin American countries.

[illegible]

[illegible]

[illegible]

loans, inter alia because of the growth in its GDP. During the past three years there had been no increase in real terms in its public debt, since through fiscal reform and an improved balance-of-payments position it had been possible to meet the most urgent needs for agricultural and industrial expansion. His delegation would welcome more information on the indicators used in the report so that it could correct any possible errors in its own indicators.

6. Mr. CASTELLANOS (Venezuela) said that because of the persistent and growing balance of payments deficit in their trade with the developed countries, over the past 25 years the developing countries had been forced to resort to external resources in order to achieve a higher economic growth rate than was possible from their own export revenue. The result was that most of the developed countries were increasing their production and exports and improving their balance of payments situation.

7. It had taken the international community a long time to understand fully the interdependence of economies and the effects of policies adopted in the one group of countries on the other - in fact, it had only come when some of the peripheral countries had begun to adopt measures to defend their interests. Those measures had coincided with imbalances in world production, and the situation had been aggravated by the failure of the developed countries to provide for such situations. The countries anxious to defend their sovereignty and safeguard their non-renewable resources had been blamed for the situation; they, on the other hand, maintained that natural, non-renewable resources such as they produced must be carefully husbanded and not squandered.

8. The present agenda item was of the greatest importance because it synthesized the world's economic problems; and it should be kept under constant review by the Board.

9. He endorsed the views of the Yugoslav representative and stressed the need to identify the general problems and the particular aspects to be studied by different bodies, with due consideration and consultation so that appropriate decisions could be reached. He hoped that the United Nations General Assembly would consider the question in a broad and rational framework. It was a political and economic problem, not a mere matter of statistics, and it must now be considered in the light of the idea of the New International Economic Order, as the Secretary-General of UNCTAD had pointed out in his opening statement.

10. In spite of its brevity, the report contained food for thought for all delegations. He referred particularly to the reference to the serious problem of the proliferation of restrictions on trade in part III, section C, and to the remarks in paragraph 17 concerning the lack of attention to the import demand of developing countries. Expansion in that direction would improve the economic situation of the industrialized countries also; but that meant that the developing countries must have access to the markets of the developed countries, which in turn meant expanding the economies and the export earnings of the developing countries.

11. His delegation too had noted with concern that the report largely ignored Latin America, a continent representing a cross-section of the world and actively engaged in co-operation.

12. Speaking on behalf of both his own and other developing countries, he said that the report placed too much emphasis on the financial aspects of the item under discussion, in particular the balance-of-payments current account situation. That situation reflected the consequences, in terms of foreign exchange, of trade flows and trade policies, and in emphasizing that aspect, however important, the report lost sight of the economic and development policy which determined and in some measure was determined by the current account situation.

13. The introduction to the report contained references to forecasts published by OECD; but they did not necessarily coincide with those for the developing countries or other countries belonging to the international community. Because of the emphasis on the balance of payments and the use of OECD statistics, the analysis of the problems of interdependence was not too well balanced; it tended to place countries in groups or sub-groups, thus losing sight of the global context and perhaps suggesting inappropriate conclusions. The report also failed to mention possible co-operation among developing countries, and particularly the efforts made by the developing oil-exporting countries which had helped to improve conditions in other developing countries.

14. Bearing in mind the technical difficulties, the approach to the problems of interdependence should start out from the study of world supply and demand, so as to ascertain the flow of trade, and then go on to deal with the corresponding financial aspects, including balance of payments. In that way, it would be possible to reach global and regional conclusions for the guidance of the international community in building the New International Economic Order.

15. Mr. ARSENIS (Director, Division for Money, Finance and Development) said that the secretariat would give careful consideration to the comments and suggestions of Board members in its future work, which would be further enhanced by the contributions to be received from government experts.

16. Interdependence was not a new issue for the Board. Since 1972, the secretariat had identified a number of policy issues and had made a careful analysis of the factors that had contributed to the recent slow-down in the world economy and to the recession of the past few years. In a document submitted to the Conference at its fourth session, it had made a preliminary attempt to integrate policy considerations under the heading of interdependence with empirical work on the outlook for the world economy. That work was continued in the documentation submitted to the Board at its current session, which placed emphasis on the cyclical aspect of the world economy and its impact on the developing world.

17. In his introductory statement, he had dealt exclusively with policy issues arising from the world economic situation. He realized, however, that there were certain misunderstandings with regard to the technical work on which the documentation was based. The report on the world economic outlook was the result of the co-operative efforts of independent research institutions throughout the world. The UNCTAD secretariat had taken part in that co-operative effort, which had nothing

26. Because of those errors, his delegation wished to reserve its final position on any decisions taken or to be taken in UNCTAD concerning the least developed land-locked countries.

27. The PRESIDENT asked the representative of Afghanistan to submit his corrections in writing. He suggested that the Board adopt the draft decision contained in document TD/B/L.36/Rev.1.

28. It was so decided.

RATIONALIZATION OF THE STRUCTURE OF THE PERMANENT MACHINERY OF UNCTAD (agenda item 7(n)) (TD/B/L.403, TD/B/L.405, TD/B/L.409)

29. The PRESIDENT said that the question of the terms of reference of the Committee on Economic Co-operation among Developing Countries, which had been referred by the Board to the President's Contact Group, had been the subject of constructive consultations among the representatives of the regional groups, and a number of revisions had been agreed upon. He therefore submitted for the Board's consideration draft decision TD/B/L.409, on which all groups, including China, were in agreement.

30. The Board might also wish to consider the question of the financial implications of the work programme in the field of economic co-operation among developing countries. At the informal consultations held with representatives of groups, including China, agreement had been reached on the draft conclusion to be recommended to the Board and reading as follows:

> "The Board took note of the report of the Committee on Economic Co-operation among Developing Countries on its first session, as contained in document TD/B/C.7/AIDC.5, and endorsed the work programme contained therein. The Board also agreed with the work programme for 1978-79 in relation to economic co-operation among developing countries as revised in document TD/B/661, submitted by the Secretary-General of UNCTAD, having noted the statement of financial implications annexed to that document; it recognized the need to devote adequate resources to this area of activity so as to make it possible for this programme to be carried out in accordance with the mandate contained in resolution 1 (1) of the report of the Committee on Economic Co-operation among Developing Countries."

31. With regard to the review of the terms of reference of the Committee on Shipping, it had also been possible to reach agreement on draft decision TD/B/L.406, which would be proposed to the Board for adoption.

32. Concerning the rationalization of the structure of the permanent machinery of UNCTAD, he submitted for consideration by the Board, draft decision TD/B/L.439, which likewise appeared to have the support of all Groups, including China.

Mr. [illegible] (United States of America) said that Group B believed that ACABQ and the Fifth Committee of the General Assembly should give careful attention to the additional funds requested for the programme for economic co-operation among developing countries. Group B noted a parallelism between the justification in the supplementary proposal and that already submitted for the 1976/1977 biennium, which showed that not all the resources allocated to that activity seemed to be employed for the purpose for which they had been authorized. In any case, the Group believed that any additional resources that might be required for that programme should comply with the rule laid down by the Secretary-General at the second session that any budgetary increase should be [illegible] and real terms.

Mr. [illegible] (Bangladesh), speaking on behalf of the Group of 77, said that as the Board had agreed, the Secretary-General of UNCTAD had been asked at the current session of the Board to review the Programme Budget on Economic Co-operation among Developing Countries with financial implications, in the light of the decisions of the Committee on Economic Co-operation among Developing Countries, which met in May 1977. That Committee had approved an extensive work programme; however, the additional funds requested appeared to be only the bare minimum, considering the workload given to the secretariat by UNCTAD at its fourth session, and subsequently by the Committee. He therefore recommended that due consideration be given by ACABQ and the Fifth Committee to approval of the funds as requested in the revised budget.

Mr. [illegible] (Union of Soviet Socialist Republics) said that the Group D countries appreciated the efforts made by the developing countries to increase economic co-operation, but they had been anxious that national ones should be made of UNCTAD resources and had reserved their position in that respect. The figures given for the increases in the Secretary-General's programme appeared to be too high in comparison with the resources available in 1976. Group D did not favour a substantial increase in posts but rather an improvement in efforts at co-ordination between the secretariat and other United Nations bodies.

Mr. [illegible] (China) said that his delegation fully supported the Committee on Economic Co-operation among Developing Countries and hoped that the appropriate arrangements would be made in the UNCTAD working programme and budget.

37. The PRESIDENT suggested that the Board adopt the draft decision concerning the terms of reference of the Committee on Economic Co-operation among Developing Countries (TD/B/L.435).

38. It was so decided.

39. The PRESIDENT suggested that the Board adopt the draft decision concerning the review of the terms of reference of the Committee on Shipping (TD/B/L.438).

40. It was so decided.

41. The PRESIDENT suggested that the Board adopt the draft decision concerning the rationalization of the structure of the permanent machinery of UNCTAD (TD/B/L.489).

42. It was so decided.

DOCUMENTATION PROBLEMS AND THEIR EFFECT ON THE WORK PROGRAMME OF UNCTAD (agenda item 8 (a))

43. The PRESIDENT informed the Board that at the two informal meetings held on the subject, it had been possible to identify three areas in which a modest contribution could be made towards solving the problem of delays in issuing documents: the first was the Board's responsibility in regard to the calendar and agenda of meetings; the second was the preparation of documentation within the UNCTAD secretariat; and the third was the translation and reproduction of documents.

44. On the basis of the information supplied, it was apparent that quantitatively the total volume of page units of documentation per year from 1974 to 1977 had remained fairly constant. On the other hand, there had been nearly a 50 per cent increase in the volume that the United Nations Reproduction Unit had had to handle during the same period. UNCTAD's percentage of that total volume appeared to be 24 per cent.

45. The main problem, however, had been that although the total volume had remained constant, there had been many peak periods, which extended the Reproduction Unit to its maximum capacity. That problem should be viewed in perspective, since UNCTAD was going through an unusual period of activity in the wake of the Nairobi Conference. It was easy to suggest that UNCTAD should cut down the number of its meetings; another suggestion was that once it agreed to meetings it should provide the additional resources to service them.

46. UNCTAD had chosen a realistic approach, urging delegations as members of the Board to do all they could to assist the secretariat in its task of producing documents in good time. To that end they could (a) adjust their requests for scheduling of meetings to take account of the time required to prepare the necessary documentation; (b) request additional documents only when there was a clear need for them; (c) indicate relative priorities for the secretariat's guidance in planning and preparing documents; (d) reach early decisions on a provisional agenda so that key issues could be identified; (e) continue to explore ways and means of reducing documentation.

47. UNCTAD itself had taken certain remedial measures, and had considered the possibility of eliminating summary records. In that connexion, it would be helpful if regional groups could consider certain agenda items exhaustively.

complicated the work of the secretariat.

54. Mr. JARAMILLO (Colombia), speaking on behalf of the Latin American Group, proposed the inclusion of the following sentence in the report under the present item: "The Board reiterated its deep concern over the continuous delay in the distribution of documents in all languages at UNCTAD meetings, and expressed the hope that in the future, documentation would be distributed beforehand by the statutory date fixed."

55. After a brief discussion, in which the PRESIDENT, Mr. [illegible] (Argentina) and Mr. [illegible] (Philippines) took part, [illegible] was adopted.

56. Mr. [illegible] (Belgium) pointed out that documents were often delayed because of the way in which they were dated. It would be helpful if the date on a document was that on which the document was distributed in the language in question.

57. The PRESIDENT suggested that the Board take the following decision:

"At its 477th meeting, the Board heard the report of the President on the matter of documentation problems and decided to take note with appreciation of that report and annex it to its report on the first part of its seventeenth session. It decided further that this report of the President should be brought to the attention of the United Nations Office at Geneva (UNOG) with a view to appropriate action, and that the Board should review the issue of the documentation problems of UNCTAD at its eighteenth session in the light of action taken by the appropriate authorities and of developments that may have occurred in the intervening period."

58. The note would be taken of the observation made by the representative of Belgium.

59. It was so decided.

ADOPTION OF THE REPORT OF THE BOARD TO THE GENERAL ASSEMBLY (agenda item 5) (TD/B/L.479 and Add.1 (Part I, Part II), Add. 2-6)

60. The PRESIDENT requested the members of the Board, in considering the draft report, to submit only substantive amendments to the meeting. He suggested that editorial amendments be given to the Rapporteur.

61. It was so agreed.

62. Mr. BARONA (Mexico), Rapporteur, introducing the draft report on the first part of the seventeenth session, said it would be completed, to cover the present meeting, in accordance with the customary procedure. He drew attention to some amendments.

63. The draft report of the Trade and Development Board on the first part of its seventeenth session (TD/B/L.1/1 and Add.1 (Part I, Part II), Add. 2-) was adopted, with a number of amendments submitted by the Rapporteur, Mr. HAQQI (Pakistan) and Mr. AMAZ (Afghanistan).

CLOSURE OF THE FIRST PART OF THE SEVENTEENTH SESSION OF THE TRADE AND DEVELOPMENT BOARD

64. The PRESIDENT said that the Board had ended a satisfactory session, having completed its agenda, and having taken a number of important decisions. After an exchange of courtesies, he declared the session closed.

The meeting rose at 1.40 p.m.